m impasse. 'You want peace/ Mr. Baldwin had said; and it was true. They wanted peace, but were not to have it.

VIII

Peace had been voted for, Mr. Baldwin was again Premier, and the Fulham by-election and the Peace Ballot might safely be forgotten. What was now required was to rearm. For this purpose, money was gladly voted. The Labour Party offered no serious opposition, but contented itself with abstaining from divisions, and the Archbishop of York contributed his blessing—'More clearly to-day than at other times, we see how rightly the forces of the Crown are spoken of as services. . . . They are organised for service . . . for the service of safeguarding those treasures of civilisation that we have inherited from the past/ England had been weak, but now was to be strong again. Parliament had decreed it, money would ensure it—so many million pounds translated into so many guns, aeroplanes and trained personnel; incidentally, this capital expenditure, unlike capital expenditure on roads, houses and other peaceable enterprises, serving to diminish unemployment and promote prosperity.[22]

So simple a policy proved in practice surprisingly difficult, if not impossible, to execute. Though the money was duly spent, at least vanished from the Treasury, the strength it was to have purchased failed to materialise. Weakness obstinately persisted.

[22] At the World Economic Conference Mr. Runciman, then President of the Board of Trade, explained that a careful investigation had been made into the possibilities of reducing unemployment by financing public works.

It had been demonstrated, he said, beyond any possibility of doubt, that an expenditure of ;£ 1,000,000 led to the employment of only 1,000 men directly, and 2,000 indirectly. This was uneconomic, and would not be countenanced by the British Government. When, some years later, increased expenditure on armaments was followed by a considerable decrease in unemployment (at one point to 1,300,000), it was assumed that the .latter circumstance was a consequence of the former, and that the Government of which Mr. (by this time Viscount) Runciman was still a member, deserved credit for having thus reduced unemployment.